

# **FISCAL NOTE**

## **HB 3129 - SB 3200**

March 10, 2000

**SUMMARY OF BILL:** Amends the retirement law by allowing a state employee who has six or more years of creditable service in the retirement system to establish previous service rendered as a federal government employee. The employee would be required to make a lump sum payment equal to the amount of employee and employer contributions that would have been made during the period of the federal government service plus interest of 7.5% on both.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$2,025,000 Annual Amortized Cost**

**Other Fiscal Impact - Increase Federal/Other Expenditures:  
\$675,000 Annual Amortized Cost**

Estimate assumes:

- total lump sum liability of \$30,000,000
- 20-year amortization of the lump sum liability
- approximately 75% of the cost will be borne by the state and 25% of the cost will be supported by federal funds
- approximately 3% of the state employee group will have an average of 27 months of federal service.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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